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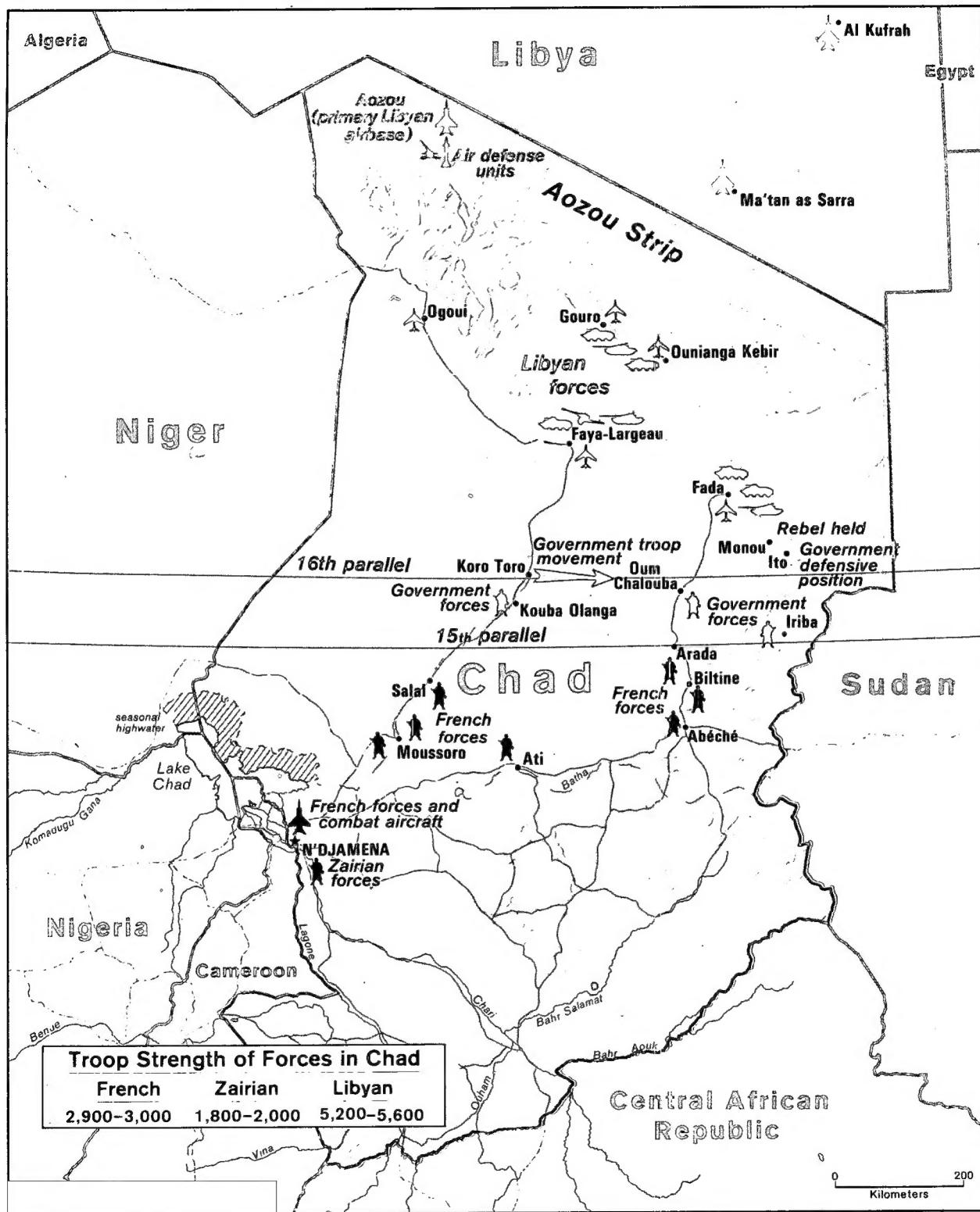
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CHAD-LIBYA-FRANCE: More Fighting and Preparations

Chadian Government troops clashed with dissident forces north of the 16th parallel on Saturday

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[redacted] Libyan-backed Chadian rebels attacked a government unit of less than 50 troops at Monou on Saturday. There is no evidence, however, that Libyan aircraft or tanks were involved.

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Some 300 government troops have set up defensive positions at Ito in anticipation of a rebel push southward to Iriba.

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[redacted] Another government unit reportedly is located between Koro Toro and Oum Chalouba, where about 1,000 troops are now garrisoned.

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The French probably will not move their troops north of their present positions along the 15th parallel for the time being, according to the US Embassy and a French military official in Chad. French units are now authorized, however, to patrol up to the 16th parallel and to engage any rebel or Libyan forces they encounter. Although the Embassy does not rule out further retaliation, it believes that the extension of the area of operations may constitute France's response to the downing of its aircraft last week.

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Comment: President Habre probably will try to gain control over as much additional territory as possible while his troops serve as a buffer between the French on the one hand and the Libyans and dissidents on the other. The rebel attack on Monou may have been designed to defend a strategic approach to the Libyan base at Fada as well as to open the option of a further rebel advance to Ito and Iriba.

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The extension of the French forces' area of operations improves their ability to protect themselves while Paris reassesses its policy in light of the recent resumption of fighting. Meanwhile, high-level talks among French officials continue in Paris.

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CHINA: Implications of New Supercomputer

China has built a fast array processing computer—apparently using US components—that could have a substantial impact on its nuclear weapons program.

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A recent press release in China says scientists there have built a high-speed computer called the "Yinhe" or "Galaxy." It reportedly can perform 100 million "operations" per second.

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Comment: Although no indication has been given of the size of the main memory or other specifications, development of such a computer would be a spectacular achievement. Depending on what kind of operations the Chinese mean, a machine capable of 100 million per second might be somewhat slower than the US CRAY-1 supercomputer, which is still one of the fastest and most powerful in the world. Nevertheless, both would be in the same general class with respect to speed.

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CRAY-1 computers are widely used in the US nuclear weapon program for the design of nuclear weapons. They also have many other complex applications, including weather forecasting.

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The press release may have exaggerated the new computer's actual capability. In practice over long periods, it may only be able to perform reliably at a fraction of the claimed speed.

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The Chinese probably could not have built the Yinhe on their own. The required large number of highly reliable microelectronic chips, for example, would have to be obtained elsewhere.

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Before the press announcement, Chinese officials told [redacted] they were building an equivalent to the CRAY-1 using US components. Even with imported hardware, however, building such a computer would be a formidable task.

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Chinese computer specialists also have to develop the software to program and run the computer. Several received valuable assistance in software development in 1981, when they came to the US expressly to study the software systems used with the CRAY-1.

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Development of such a computer would help China's nuclear weapons program by allowing study of more complicated weapon models.

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The ability to study more complex nuclear weapon models also probably will decrease the time required for the Chinese to develop an enhanced-radiation warhead. They have shown a strong interest in such a weapon [redacted]

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DOMINICAN REPUBLIC: Economic Problems

The country's weakening economy and lack of progress in negotiations with the IMF are likely to have political and social repercussions. [redacted]

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The US Embassy reports that talks with the IMF on requirements for the second year of a three-year loan could take up to two months to complete. Discussions stalled last month when Santo Domingo rejected IMF proposals for substantial cuts in government spending, movement toward unifying the dual exchange rate, and elimination of overdue foreign payments. The government says the measures would triple the inflation rate and further reduce real income levels. [redacted]

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Santo Domingo, meanwhile, has announced a series of foreign exchange reforms to stabilize the economic situation until an accommodation with the IMF can be reached. The measures include floating the unofficial exchange rate, shifting additional imports to the costlier unofficial market for foreign exchange, extending new exchange incentives to exporters, and suspending Central Bank credit to the public sector. [redacted]

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Comment: The new reforms appear to be directed primarily at slowing the demand for US dollars caused by uncertainty in the private sector about the government's financial problems. The government nonetheless will have little bargaining power with the IMF, especially after missing its program targets last month by a wide margin. [redacted]

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Business confidence is likely to remain weak, at least until the IMF's program targets for 1984 are completed. Moreover, President Jorge Blanco probably will face growing opposition to any new economic cuts from labor, which already is angered about high unemployment and shrinking real wages. Although the burden of new austerity measures would fall on the middle class, the poor would be likely to support its protests. [redacted]

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USSR: Criticism of Military Training

Several recent articles in Soviet military journals have criticized traditional officer training that encourages rigid adherence to "scientifically objective" solutions to combat situations. For example, an article by the deputy commander of Soviet Airborne Troops notes that modern combat demands high levels of initiative and that officers have to have the authority to alter approved plans under battle conditions.

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Comment: This issue is not new, but the latest call for more initiative may have been prompted in part by the failure of the textbook approach in Afghanistan. Soviet officer training will continue to face the problem of how to encourage battalion and regimental leaders to be more innovative in rapidly changing combat situations while preserving the rigid approach to proficiency testing. If more flexible training of field units ensues—perhaps by providing more than one school solution—Soviet tactics may become somewhat less predictable.

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USSR: Comprehensive Educational Reforms

A Politburo commission recently drafted a plan calling for comprehensive changes in general education practices in an effort to relieve labor shortages. Few concrete measures are offered, but the plan strongly encourages increased vocational training, particularly in secondary schools.

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Comment: The emphasis on vocational training is intended primarily to help compensate for the reduced number of young people who will enter the labor force during the remainder of this decade. The Soviets are trying to lower the average age at which youths enter the work force, increase the supply of skilled workers, and improve the matching of job requirements and available skills. Although deemphasizing academic curricula could ease the manpower squeeze, it will reduce the USSR's ability to deal with the demands of an increasingly complex economy.

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USSR-THAILAND: Invitation to Thai General

Press reports from Bangkok say the Soviet military has invited General Athit, Supreme Commander of the Royal Thai Armed Forces, to visit the USSR some time between March and September.

According to [redacted] the Thai Foreign Ministry, however, the Ministry has advised Athit to avoid making a visit this year. Athit has already said publicly he might be too busy for such a trip because of Vietnam's dry-season operations in Kampuchea this year.

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Comment: Bilateral relations recently have improved somewhat, following a period of increased friction resulting from an espionage incident last May and the shootdown of the South Korean airliner. The invitation is an obvious attempt to cultivate Athit, whom the Soviets believe will become prime minister next year. According to the US Embassy in Bangkok, the Soviet mission there has had little success thus far in establishing a relationship with Athit. In the unlikely event that Athit accepts the invitation, he would be the highest ranking Thai to visit Moscow since 1979.

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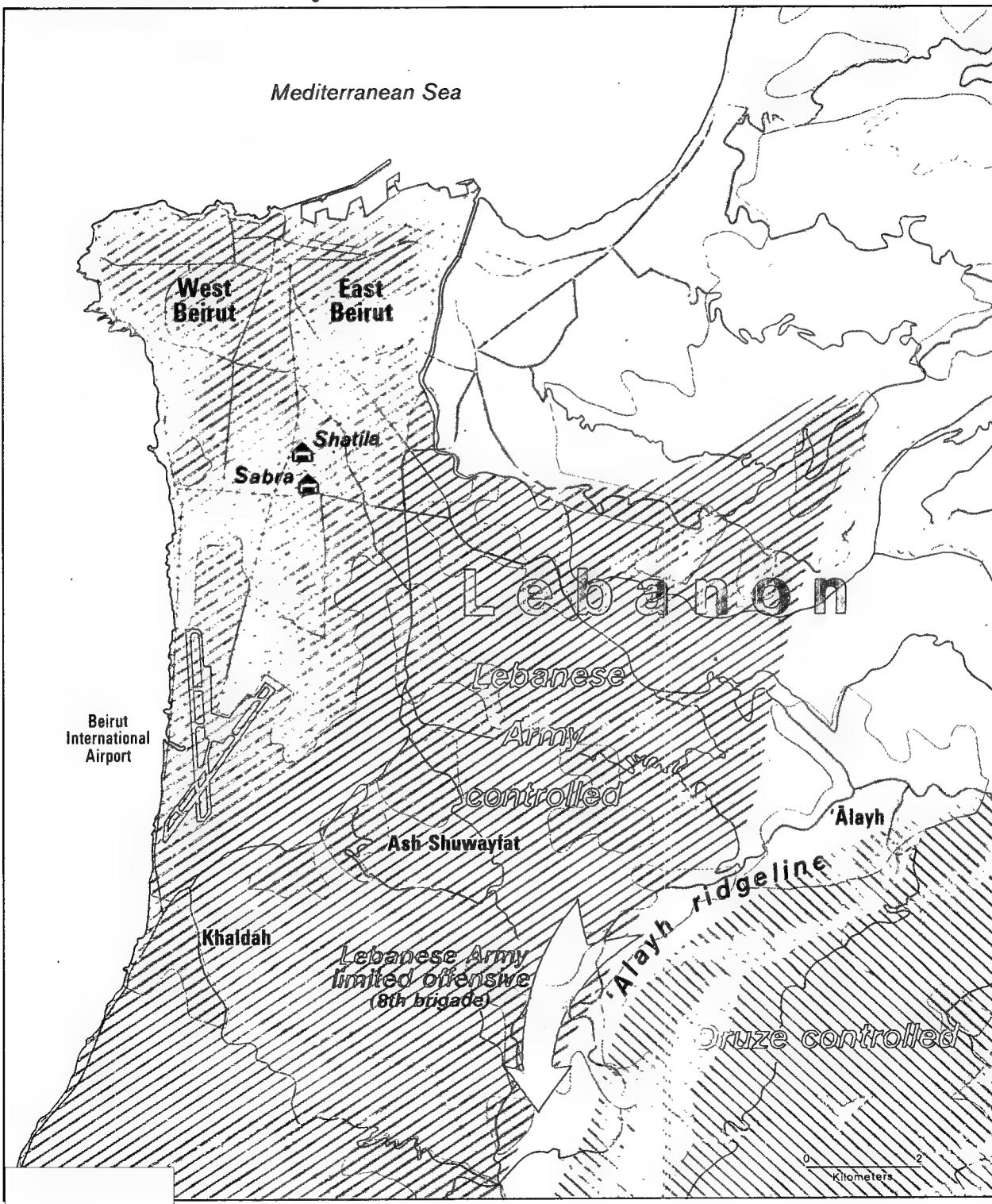
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Possible Lebanese Army Offensive



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Special Analysis

LEBANON: Possible Army Offensive

If Lebanese factions do not reach agreement with the central government soon on the proposed security plan, the Army almost certainly will attempt—perhaps early this week—to expand Beirut's authority by force. The Syrians and Druze are generally aware of government intentions and are preparing to resist an offensive. The political repercussions of the move could be substantial in the current highly charged atmosphere.

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In talks with US officials, Army Commander Tannous has expressed his desire to undertake a limited offensive to seize control of the entire Alayh ridgeline. The goal would be to push Druze gunners off the heights overlooking Beirut, thereby reducing the shelling of Army and MNF positions around Beirut and the airport.

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By cutting one of the main infiltration routes from the Shuf and isolating the southern suburbs of Beirut, the Army advance should diminish the ability of the militant Shia in the city to sustain fighting against the Army. Such a move, the government calculates, would further consolidate its control of the Beirut area, enhance Army morale, and render unnecessary a direct assault on the suburbs—a far riskier operation.

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Lebanese officials may believe a successful offensive would give the government the upper hand in dealing with its opponents. Moreover, President Gemayel, who is concerned about the prospect of a sudden MNF withdrawal, may believe that a move by the Army would increase the possibility that the MNF or at least US forces would remain.

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The government, especially Tannous, expects that additional US military support will be forthcoming if the Army needs it. If the offensive were to bog down or the Army were forced to give up earlier gains, the opposition would grow more confident of its ability to challenge the central government's authority.

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Army Capabilities

The government's military capability to enlarge the area it controls—even in the absence of a political agreement—has steadily improved in recent months. The Army is larger, better equipped, and better trained. It has emerged from fighting in the Shuf and the sweep operations in Sabra and Shatila with an improved reputation and its confessional balance largely intact.

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The Army now can conduct a limited operation, such as one to consolidate its control of the ridgeline, without encountering serious confessional strains. The move on the ridgeline, however, could cause violence in the predominantly Shia southern suburbs. The Army is 25 percent Shia, and its confessional cohesion would be sorely tested if it were forced to quell Shia unrest there. [redacted]

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Syrian Tactics

An Army offensive would convince Syria that Gemayel had abandoned earlier tentative steps to reach an accommodation with Damascus. At a minimum, Syria's aid to its Lebanese surrogates probably would parallel the support it gave during the fighting last September and could extend to providing targeting information or the use of some Syrian commandos as advisers. [redacted]

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The Syrians could keep the defenders supplied with ammunition and equipment indefinitely. Syria probably would limit and attempt to conceal any direct participation, however, for fear of provoking wider US military involvement. [redacted]

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A greater risk would be the exercise by Syria of several nonmilitary options. It could put pressure on Lebanese Shia leaders to call for mass desertions of Shias from the Army or, in cooperation with Iran, encourage a general Shia uprising in Beirut's southern suburbs. Moving against the suburbs would stretch the Army's manpower and risk defections by Shia soldiers. [redacted]

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Syria also could try to undermine the Lebanese Government by directing increased terrorism against the MNF and the diplomatic community or by killing Lebanese political figures. Gemayel would be a prime target. [redacted]

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The Political Fallout

An Army offensive almost certainly would jeopardize any further attempts to expand the government's authority through political agreement. In addition, it would undermine the national reconciliation effort itself. [redacted]

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A military success on the ridgeline would strengthen Christian resolve to resist fundamental political reforms. Left to his own devices, Gemayel probably would continue to temporize on reform and refuse to go beyond cosmetic changes, such as expanding the cabinet or increasing non-Christian representation in the parliament. [redacted]

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Even if the government were to offer greater concessions to Druze and Muslims from a position of military strength, opposition groups probably would be unwilling to consider what they would regard as dictates from the Christian Phalange. The ability of the opposition to resist compromise with the central government, however, depends—as in the past—on the level of Syrian determination to block the reconciliation process. [redacted]

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Special Analysis**USSR-CUBA: Impact of Events In Grenada on Relations**

Differences over events in Grenada last October appear to have strained ties between the USSR and Cuba. These frictions—plus recurring tensions caused by the aid burden that Havana poses for Moscow—mark the latest bout of bad feelings in the chronically troubled relationship. Both sides, however, continue to share an overriding concern about what they see as growing US assertiveness in the Third World. As a result, the prevailing trend continues to be toward closer political and military cooperation.

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The USSR and Cuba reacted differently to the death of Grenadian Prime Minister Bishop, and there are indications that relations have cooled since then. The Cubans have shown the most irritation, while the Soviets have presented an appearance of business as usual.

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President Castro publicly blamed Grenada's former Deputy Prime Minister Coard for destroying the government, causing Bishop's death, and opening the way for Washington to intervene. In reporting Castro's statement, *Pravda* omitted his mention of Coard and instead distorted his reference to alleged CIA involvement to strengthen the implication that Castro had blamed the US. Caribbean Marxists say Moscow was angry at Havana for blaming Coard.

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_____ and Soviet media late last year alleged that US responsibility had been "irrefutably proved"—a charge Cuba still has not repeated.

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Tensions between Soviets and Cubans in Grenada had been building before the coup. A diplomat stationed there says Moscow tried to gain influence at Havana's expense.

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_____ the USSR opposed Cuba's efforts to encourage the Grenadians to hold elections.

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Castro was personally close to Bishop, while the pro-Soviet Coard had made several visits to Moscow, including one shortly before the coup. There are indications _____ that Castro holds Moscow directly responsible for Bishop's ouster.

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_____ the differences between Moscow and Havana over the coup were made worse by the US intervention.

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Signs of Friction

The Grenada issue may have been one cause of the lackluster celebrations in Havana on 1 January of the 25th anniversary of the Cuban revolution. Castro made no mention in his anniversary speech of the USSR's role in sustaining Cuba, as he usually has done.

Moscow's commemoration also was uncharacteristically low key.

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In addition, Cuban media did not report a meeting in Havana on 9 January between Castro and Soviet Cultural Minister Demichev, the highest ranking Soviet to visit Cuba since the US intervention in Grenada. Demichev, in a speech in Havana, said that socialist countries have to improve political cooperation while taking into account specific national interests, and he called for better economic integration. Both points apparently were aimed at Cuba.

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On the same day, Foreign Minister Gromyko assured the new Cuban Ambassador—who as economic secretary of the Cuban Communist Party is the highest ranking Cuban ever chosen to head the Embassy in Moscow—that the USSR would continue to provide development aid and assist Havana's "struggle to protect its sovereignty."

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Differences over Grenada would be only the latest dispute between the USSR and Cuba. The Soviets, for example, were upset by Castro's efforts in the 1960s to encourage Latin American leftists to emphasize armed struggle, and they used their control over oil shipments to rein him in.

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Moreover, Castro in recent years sometimes has taken a different approach than Moscow on third-party proposals for improving relations in Central America. The USSR's huge aid bill also has increasingly been a source of tension.

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In addition, relations are likely to be troubled by Moscow's continued resistance to Castro's efforts to obtain a formal defense commitment. Events in Grenada have caused nervousness in Havana about the vulnerability of Marxist states beyond the easy reach of the USSR's military power.

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Growing Cooperation

Despite such periodic strains, close political and military ties have continued. The Sandinista victory in Nicaragua in 1979 reduced earlier discord between Moscow and Havana over strategy in Latin America, and both sides have been cooperating more closely in supporting Marxist clients elsewhere in the Third World.

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Cuba's perception of an increased threat from the US also has helped to ensure closer relations with the USSR, which continues to underwrite the modernization of the Cuban armed forces. Soviet military equipment deliveries have risen substantially from an

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estimated average annual value of \$90 million in the mid-1970s to \$290 million in the late 1970s and to almost \$900 million in 1981 and 1982. [redacted]

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Such shipments continued at a high—although somewhat reduced—level in 1983. Early this year the Soviets were delivering additional MIG-23 fighters, a frigate, and a third diesel-powered attack submarine. [redacted]

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At the same time, Soviet economic aid increased from an annual average of \$327 million in the 1960s to an estimated \$4.6 billion in 1982, declining only slightly in 1983. The USSR's total economic aid in 1982 to Vietnam, Angola, Ethiopia, and Mozambique is estimated at only \$1.2 billion. [redacted]

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Outlook

Frictions over Grenada are unlikely to cause serious disruptions in the mutually beneficial relationship between the USSR and Cuba. Deteriorating economic conditions and tensions with the US probably have strengthened the belief in Havana that Cuba cannot survive without massive Soviet military and economic aid. [redacted]

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In turn, the fall of Grenada's New Jewel Movement and increasing insurgent pressures on the Nicaraguan Government presumably have increased the value the USSR places on Cuba as a Marxist outpost in the Western Hemisphere and as a conduit for support to clients in Central America. The deteriorating security situation in Angola and Mozambique also ensures that Moscow will continue to see the need for Cuban military assistance elsewhere in the Third World. [redacted]

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The economic relationship, however, is a more likely source of future tension. The USSR's own economic difficulties may lead to increased pressure on Cuba to reduce its heavy dependence on Soviet aid. [redacted]

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The Soviets could try to assume greater control over Cuban economic planning—as they have in Vietnam—and to urge reforms to stimulate production. They also might increase pressure on the Cubans to conserve Soviet-supplied fuel. Neither side, however, is likely to allow economic frictions to reduce the scope of their political and military cooperation. [redacted]

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